

JBF INDUSTRIES LTD

Q2- FY16 Earnings Presentation

<p>Overview</p>	<ul style="list-style-type: none"> ▪ JBF Industries is a global company engaged in the production of polyester value chain ▪ Current polymerisation capacity of 1.43 MMT p.a. and downstream capacity of 544 KMT p.a. ▪ Operates out of 3 domestic facilities, 1 in Gujarat and 2 in Silvassa, and 3 overseas facility in Ras Al-Khaimah, UAE, Belgium and Bahrain. ▪ Promoted by Mr. Bhagirath C. Arya, a technocrat entrepreneur ▪ Listed on the BSE and NSE with a market cap of INR 14,632 mn (as on September 30, 2015)
<p>Products & Business Mix</p>	<ul style="list-style-type: none"> ▪ Product Mix can be divided into three broad categories:- <ol style="list-style-type: none"> I. Polyethylene Terephthalate (PET) Chips: Textile Grade and Bottle Grade II. Polyester Yarn: Partially Oriented Yarn, Full Drawn Yarn etc. III. Biaxially-Oriented Polyethylene Terephthalate (BOPET) Films: Thin, Thick, Metallized FY 15 Sales Mix (By Value) :- Chips – 63%, Polyester Yarn – 23%, BOPET Films – 14%
<p>Markets</p>	<ul style="list-style-type: none"> ▪ Indian facilities cater to the Indian and exports markets: <ul style="list-style-type: none"> ➢ 2nd largest domestic supplier of textile grade chips with a capacity share of ~20% ➢ 3rd largest domestic supplier of bottle grade chips with a capacity share of ~20% ➢ 3rd largest domestic supplier of Polyester Yarn with a capacity share of ~15% ▪ RAK facility (Bottle grade chips and Films) caters to European, MEAF and North American markets <ul style="list-style-type: none"> ➢ Market share of 70 % in the UAE and 45% in GCC region in the Bottle grade chips segment
<p>Financial Performance Highlights</p>	<ul style="list-style-type: none"> ▪ Income has grown from INR 49,444 mn in FY 10 to 88,978 mn in FY 15 – 5 year CAGR of 12.5% ▪ FY 15 Performance: Income – INR 88,978 mn, EBITDA – INR 9,408 mn, Net Profit – INR 311 mn ▪ JBF announced Dividend of INR 2/share in FY15
<p>Integrated Polyester Player of Global scale</p>	<ul style="list-style-type: none"> ▪ JBF is amongst the Top 5 producers of PET chips and of BOPET Films globally ▪ JBF is setting up a 1.25 MMT Purified Terephthalic Acid (PTA) plant at Mangalore SEZ thereby will become an integrated petrochemical company. ▪ JBF has also set up a 390 KT p.a. PET plant in Belgium and a 90KT p.a. BoPET Film plant in Bahrain.

Key Financial Highlights



❑ Q2-FY16 (Consolidated) performance:

- a. Total Income*: INR 21,352 mn
- b. EBITDA: INR 2,318 mn
- c. EBITDA Margin: 10.9%
- d. PAT: INR (5) mn
- e. Diluted EPS: INR (0.22)/ equity share

❑ Q2-FY16 (Standalone) performance:

- a. Total Income*: INR 8,390 mn
- b. EBITDA: INR 1,011 mn
- c. EBITDA Margin: 12.1%
- d. PAT: INR 54 mn
- e. Diluted EPS: INR 0.70 / equity share

❑ H1FY16 (Consolidated) performance:

- a. Total Income*: INR 44,095 mn
- b. EBITDA: INR 4,738 mn
- c. EBITDA Margin: 10.7%
- d. PAT: INR 225 mn
- e. Diluted EPS: INR 3.17 / equity share

❑ H1FY16 (Standalone) performance:

- a. Total Income*: INR 17,446 mn
- b. EBITDA: INR 2,073 mn
- c. EBITDA Margin: 11.9%
- d. PAT: INR 256 mn
- e. Diluted EPS: INR 3.64 / equity share

* Total Income includes other income component

Projects:

- Implementation of the 1.25 MTPA greenfield PTA project at Mangalore is proceeding satisfactorily. The project is expected to be completed by the end of financial year 2015-2016.
- The Board of Directors at their meeting held on 31st July, 2015 has approved to raise USD 150 million from KKR Jupiter Investors Pte. Ltd by issue of 16,374,370 Equity shares of Rs. 10/each of the Company at a premium of Rs. 290/per share on preferential allotment basis aggregating to Rs. 49,123 lacs and balance amount by way of allotment of 12,210,527 Compulsory Convertible Preference Shares of JBF Global Pts. Ltd. Singapore, a wholly owned subsidiary of the Company. The above transaction is expected to be closed during November 2015.

Financial Highlights – Consolidated



Income Statement	Q2-FY16	Q1-FY16	QoQ%	Q2-FY15	YoY %
Income from operations	21,340	22,724	(6.1)%	22,464	(5.0)%
Other Income	12	18		93	
Total Income	21,352	22,742	(6.1)%	22,557	(5.3)%
Total Expenses	19,034	20,323	(6.3)%	20,300	(6.2)%
EBITDA	2,318	2,419	(4.2)%	2,257	2.7%
<i>EBITDA Margin</i>	10.9%	10.6%	30bps	10.0%	90bps
Exchange Difference & Derivative (Gain)/ Loss	222	(8)	NA	100	122.0%
Depreciation	881	872	1.0%	745	18.3%
Interest	1,191	1,218	(2.2)%	938	27.0%
PBT	24	337	(92.9)%	474	(94.9)%
Tax	29	107	(72.9)%	119	(75.6)%
Profit After Tax	(5)	230	(102.2)%	355	(101.4)%
<i>PAT Margin</i>	(0.0)%	1.0%	(100)Bps	1.6%	(160)Bps
Diluted EPS	(0.22)	3.39	(106.5)%	5.30	(104.2)%

* Income includes other income component
All numbers in INR Mn other than EPS

Financial Highlights – Consolidated



Income Statement	H1-FY16	H1-FY15	YoY %
Income from operations	44,065	43,354	1.64%
Other Income	30	100	(70.00)%
Total Income	44,095	43,454	1.48%
Total Expenses	39,358	39,112	0.63%
EBITDA	4,737	4,342	9.10%
<i>EBITDA Margin</i>	10.7%	10.0%	7.51%
Exchange Difference & Derivative (Gain)/ Loss	214	148	44.59%
Depreciation	1,753	1,394	25.75%
Interest	2,409	1,836	31.21%
PBT	361	964	(62.55)%
Tax	136	330	(58.79)%
Profit After Tax	225	634	(64.51)%
<i>PAT Margin</i>	0.5%	1.5%	(65.03)%
Diluted EPS	3.17	9.43	(66.38)%

* Income includes other income component
All numbers in INR Mn other than EPS

Consolidated Results – Balance Sheet



	Particulars	FY14	FY 15	H1FY16
A	EQUITIES & LIABILITIES			
Part -1	Shareholder Funds			
	(A) Share Capital	802	804	804
	(B) Reserves& Surplus	18,045	17,551	19,010
	Total -Shareholder Funds	18,847	18,355	19,814
Part 2	Non Current Liabilities			
	(A) Long Term Borrowings	45,587	61,672	67,229
	(B) Deferred Tax Liabilities (Net)	1,705	2,242	2,278
	(C) Other Long Term liabilities	352	255	255
	(D) Long Term provisions	403	341	386
	Total - Non – Current Liabilities	48,047	64,510	70,148
Part 3	Current Liabilities			
	(A) Short term Borrowings	13,923	20,645	28,647
	(B) Deferred Tax Liabilities	68	36	33
	(C) Trade Payables	11,841	11,133	9,395
	(D) Other Current Liabilities	8,372	8,644	13,163
	(E) Short-term provisions	727	996	914
	Total – Current Liabilities	34,931	41,454	52,152
A	GRAND TOTAL - EQUITIES & LIABILITES	1,01,825	1,24,319	1,42,114

	Particulars	FY14	FY15	H1FY16
B	ASSETS			
Part -1	Non Current Assets			
	(A) Fixed Assets	62,372	84,651	96,696
	(B) Goodwill on Consolidation	1,048	1092	1172
	(C) Non-Current Investments	26	24	23
	(D) Long Term Loans & Advances	6,624	2,235	2,072
	(E) Other Non-Current Assets	6	6	6
	Total - Non – Current Assets	70,076	88,008	99,969
Part 2	Current Assets			
	(A) Current Investments	7	2	4
	(B) Inventories	10,440	10,550	11,841
	(C) Trade Receivables	11,504	14,508	17,569
	(D) Cash and Bank Balances	4,870	4,735	2,955
	(E) Short-term loans and advances	4,768	6,403	9,705
	(F) Other current assets	160	113	71
	Total – Current Assets	31,749	36,311	42,145
B	GRAND TOTAL – ASSETS	1,01,825	1,24,319	1,42,114

Financial Highlights – Standalone



Income Statement	Q2-FY16	Q1-FY16	QoQ%	Q2-FY15	YoY %
Income from operations	8,315	8,990	(7.5)%	11,476	(27.5)%
Other Income	74	66	12.1%	67	10.4%
Total Income	8,389	9,056	(7.4)%	11,543	(27.3)%
Total Expenses	7,379	7,995	(7.7)%	10,315	(28.5)%
EBITDA	1,010	1,061	(4.8)%	1,228	(17.8)%
<i>EBITDA Margin</i>	12.0%	11.7%	30bps	10.6%	140bps
Exchange Difference & Derivative (Gain)/ Loss	171	68	151.5%	131	30.5%
Depreciation	251	251	0.0%	238	5.5%
Interest	502	431	16.5%	332	51.2%
PBT	86	311	(72.3)%	527	(83.7)%
Tax	32	110	(70.9)%	140	(77.1)%
Profit After Tax	54	201	(73.1)%	387	(86.0)%
<i>PAT Margin</i>	0.6%	2.2%	(160)bps	3.4%	(280)bps
Diluted EPS	0.70	2.94	-12.3%	5.78	(87.9)%

* Income includes other income component
All numbers in INR Mn other than EPS

Financial Highlights – Standalone



Income Statement	H1-FY16	H1-FY15	YoY %
Income from operations	17,306	23,136	(25.2)%
Other Income	140	130	7.7%
Total Income	17,446	23,266	(25.0)%
Total Expenses	15,373	20,872	(26.3)%
EBITDA	2,073	2,394	(13.4)%
<i>EBITDA Margin</i>	<i>11.9%</i>	<i>10.3%</i>	<i>160bps</i>
Exchange Difference & Derivative (Gain)/ Loss	239	108	121.3%
Depreciation	502	468	7.3%
Interest	935	639	46.3%
PBT	397	1,179	(66.3)%
Tax	141	352	(59.9)%
Profit After Tax	256	827	(69.0)%
<i>PAT Margin</i>	<i>1.5%</i>	<i>3.6%</i>	<i>(210)bps</i>
Diluted EPS	3.64	12.37	-70.6%

* Income includes other income component
All numbers in INR Mn other than EPS

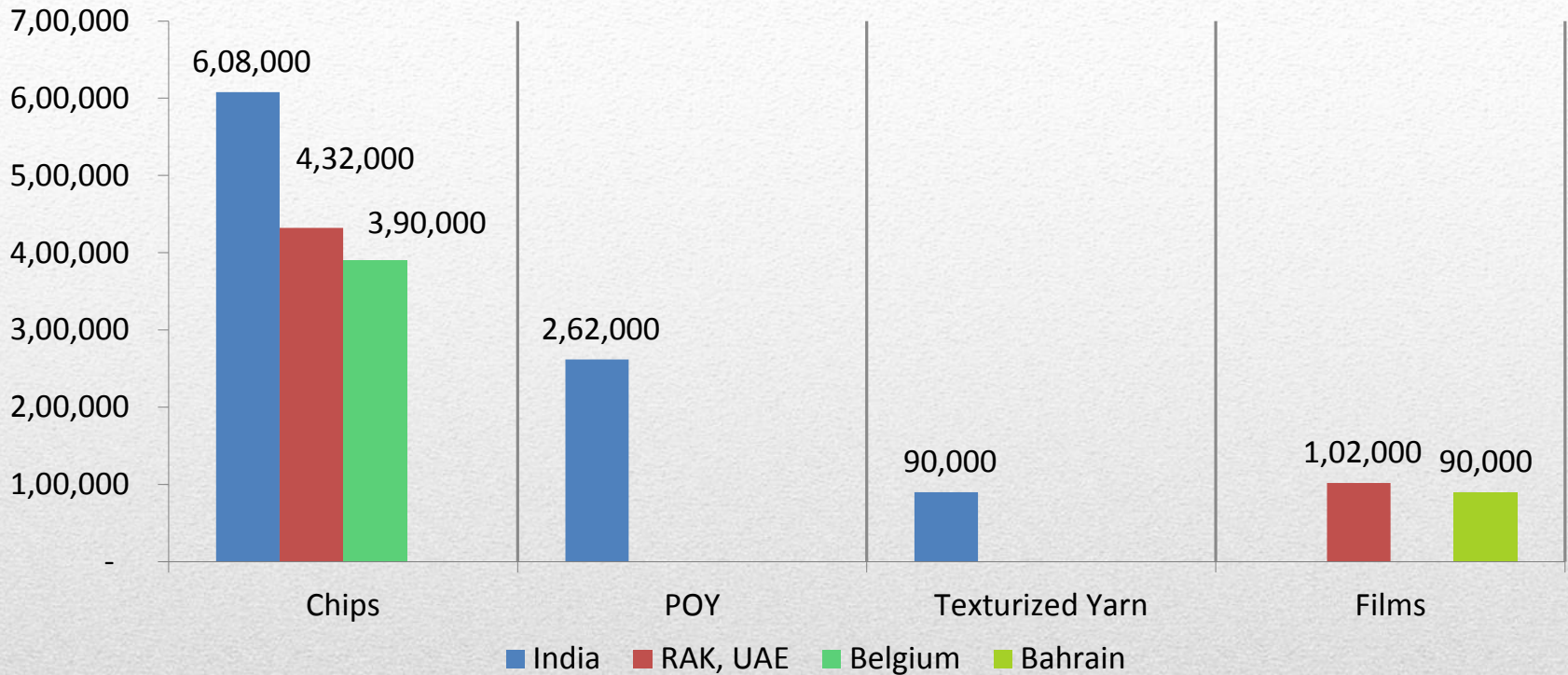
Standalone Results – Balance Sheet



	Particulars	FY14	FY15	H1FY16
A	EQUITIES & LIABILITIES			
Part -1	Shareholder Funds			
	(A) Share Capital	802	804	804
	(B) Reserves & Surplus	9,153	10,219	10,370
	Total -Shareholder Funds	9,955	11,023	11,174
Part 2	Non Current Liabilities			
	(A) Long Term Borrowings	6,696	8,250	9,177
	(B) Deferred Tax Liabilities (Net)	1,705	2,242	2,278
	(C) Long Term provisions	236	124	117
	Total - Non – Current Liabilities	8,637	10,616	11,572
Part 3	Current Liabilities			
	(A) Short term Borrowings	5,341	7,047	9,952
	(B) Trade Payables	6,149	3,088	1,140
	(C) Other Current Liabilities	3,223	3,034	4,985
	(D) Short-term provisions	511	608	500
	Total – Current Liabilities	15,224	13,777	16,577
A	GRAND TOTAL - EQUITIES & LIABILITIES	33,816	35,416	39,323

	Particulars	FY 14	FY15	H1FY16
B	ASSETS			
Part -1	Non Current Assets			
	(A) Fixed Assets	15,470	16,264	15,934
	(B) Non-Current Investments	4,237	4,235	4,235
	(C) Long Term Loans & Advances	1,046	1,132	1,204
	Total - Non – Current Assets	20,753	21,631	21,373
Part 2	Current Assets			
	(A) Current Investments	7	2	4
	(B) Inventories	4,405	3,353	4,008
	(C) Trade Receivables	6,120	5,647	7,249
	(D) Cash and Bank Balances	425	2,147	366
	(E) Short-term loans and advances	1,591	2,061	5,653
	(F) Other current assets	515	575	670
	Total – Current Assets	13,063	13,785	17,950
B	GRAND TOTAL – ASSETS	33,816	35,416	39,323

Production Capacities



Total polymerization capacity stands at 1,430,000 MT while downstream capacity stands at 544,000 MT

CHIPS – 1,430,000 MT

POY & Texturized yarn – 352,000 MT

Films – 192,000 MT

Capacity information is as on 31st March, 2015

Operating Performance



Indian Operation Sales (MT)	Q2-FY16	Q2-FY15	% Increase	H1FY16	H1FY15	% Increase
CHIPS (Textile + Bottle grade)	61,018	67,760	(9.9)%	1,22,252	1,38,262	(11.6)%
POY & Specialty Yarn	49,143	48,035	2.3%	99,734	1,01,417	(1.7)%
Total	1,10,161	1,15,795	(4.9)%	2,21,986	2,39,679	(7.4)%

Overseas Operation Sales (MT)	Q2-FY16	Q2-FY15	% Increase	H1FY16	H1FY15	% Increase
CHIPS (Bottle grade)	1,58,142	1,10,472	43.2%	3,22,084	1,99,012	61.8%
Films	24,032	26,552	(9.5)%	54,332	50,871	6.8%
Total	1,82,174	1,37,024	33.0%	3,76,416	2,49,883	50.6%

Pricing Trends & Revenue Mix

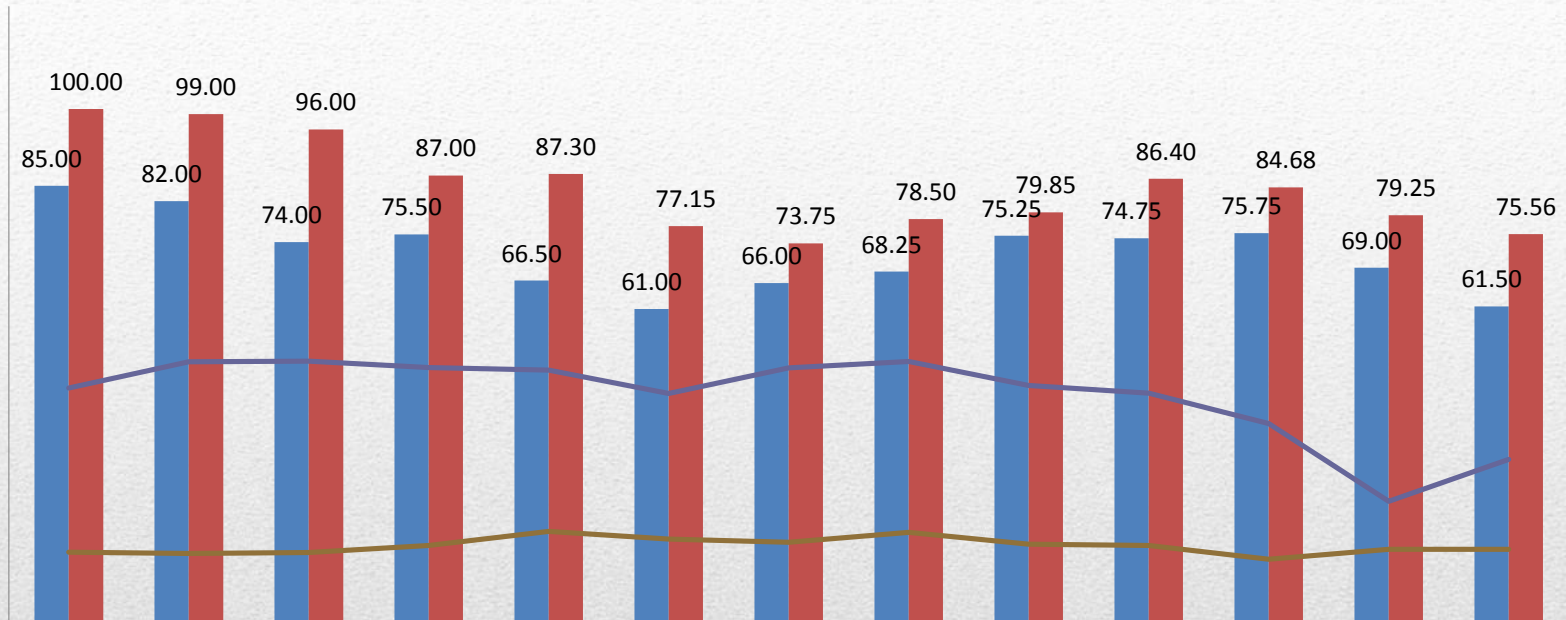


Price trends*						
Category	Q2-FY16	Q2-FY15	% Change	H1FY16	H1FY15	% Change
CHIPS – India (INR/Kg)	67	90	(25.6)%	69	89	(22.5)%
POY & Specialty Yarn-India (INR/Kg)	86	115	(25.2)%	88	110	(20.0)%
CHIPS - International (USD/MT)	1,041	1,355	(23.3)%	1,065	1,329	(19.9)%
FILMS - International (USD/MT)	2,048	2,127	(0.4)%	2,014	2,162	(6.8)%

*Prices mentioned above are the average prices for standard products in the industry, It could differ from the sale price achieved by the company

Revenue Mix						
Category	Q2-FY16	Q2-FY15	Change	H1FY16	H1FY15	% Change
CHIPS -India	19%	29%	(1000)bps	18%	28%	(1000)bps
POY & Specialty Yarn - India	19%	25%	(600)bps	19%	25%	(600)bps
CHIPS - International	48%	31%	1700bps	48%	31%	1700bps
FILMS – International	14%	16%	200bps	15%	15%	0bps

Delta Prices over the Last 1 year



Average Prices and Deltas for Q2FY16

	PTA (Rs/Kg)	MEG (Rs/Kg)	CHIPS (Rs/Kg)	POY (Rs/Kg)	Chips Delta (Rs./kg)	POY Delta (Rs./kg)
Max	55.00	68.10	75.75	79.25	5.30	13.65
Min	45.70	53.40	61.50	71.11	4.04	8.80
Avg	50.17	60.97	68.75	75.31	4.88	11.43

Films Delta (blended thick & thin)– USD 800/Ton

Historical Consolidated Results – Profit and Loss A/c



Income Statement	FY12	FY13	FY14	FY15
Income	71,793	74,558	85,677	88,795
Other Income	824	34	126	183
Total Income	72,617	74,592	85,803	88,978
Total Expenses	64,666	67,656	78,558	79,570
EBITDA	7,951	6,936	7,245	9,408
EBITDA Margin	10.95%	9.30%	8.44%	10.57%
Exchange Difference & Derivative Loss	2,939	1,329	1,254	1,209
Depreciation	1,525	2,002	2,450	3,068
Interest	1,462	2,100	3,162	4,237
Exceptional Item	-	-	367	-
PBT	2,025	1,505	12	894
Tax	-205	371	143	583
Profit After Tax	2,230	1,134	-131	311
Extraordinary Item	-	-	188	-
Net Profit	2,230	1,134	57	311
PAT Margin	3.10%	1.52%	0.07%	0.35%
Diluted EPS	30.7	15.24	0.35	4.22

All numbers in INR Mn

Historical Consolidated Results – Balance Sheet



Particulars (INR Mn)	FY12	FY13	FY14	FY15
Share Capital	720	1,830	802	804
Cumulative Redeemable Preference Shares (CRPS)	884	-	-	-
Reserves	15,340	16,873	18,045	17,551
Net worth	16,944	18,703	18,847	18,355
Non Current Liabilities	15105	25025	48047	64510
Current liabilities	25323	32925	34931	41454
TOTAL LIABILITIES	57,372	76,653	1,01,825	1,24,319
Net Fixed Assets (Incl Capital WIP)	29,333	38,830	62,372	84,651
Other Non-current assets	3841	5685	7704	3357
Net Current Assets (Excluding Cash)	20211	26170	26,879	31,576
Cash & Bank	3,987	5,968	4,870	4,735
TOTAL ASSETS	57,372	76,653	1,01,825	1,24,319

All numbers in INR Mn



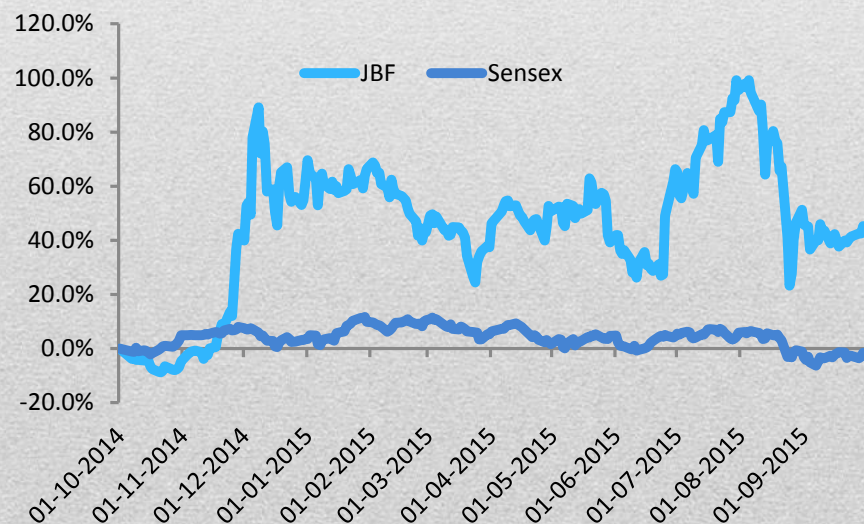
Price Data (As on September 30th, 2015)

Face Value (INR)	10
Market Price (INR)	223.40
52 week H/L (INR)	306.25/ 140.20
Market Cap (INR Mn)	14,632
Equity Shares Outstanding (Mn)	65.5
Free Float (Mn)	30.1
1 Year Avg. Trading Volume ('000)	529

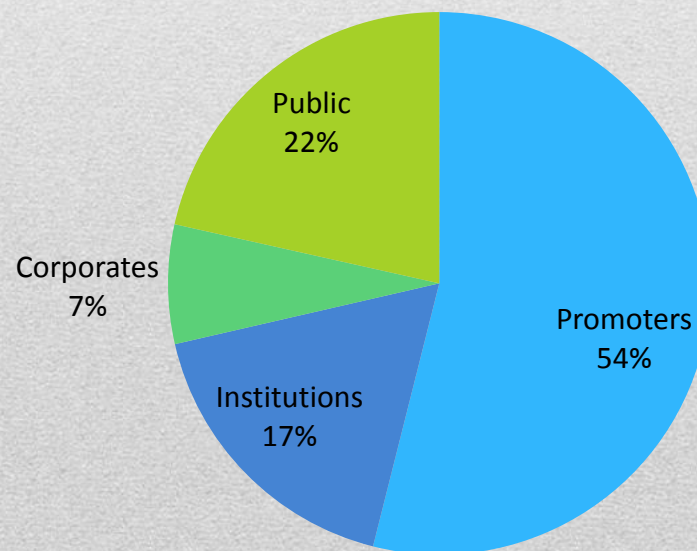
Key Indicators (For FY15)

Diluted EPS (INR)	4.22
Dividend Yield (%)	0.95%
ROE (%)	1.69%
ROCE (%)	5.10%
Net Debt to Equity (x)	4.23
Asset Turnover (x)	1.40

Share Price Movement



Shareholding Pattern (As on September 30th, 2015)



Statements in this Presentation describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes economic developments within India, UAE, Oman and the countries in which the Company conducts business and other incidental factors.

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The information in this overview reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change.

[For further details please contact our Investor Relations Representatives :](#)



Anuj Sonpal
Valorem Advisors
Tel: +91-22-6673-0036/37
Email: anuj@valoremadvisors.com



JBF Industries Ltd.
Express Towers, 8th Floor,
Nariman Point,
Mumbai – 400 021.